

A BILL

To authorize appropriations for fiscal year 2004 for the United States Coast Guard, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coast Guard Authorization Act of 2003".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

1. Short title.
2. Table of Contents.

TITLE I - AUTHORIZATION

101. Authorization of Appropriations.
102. Authorized Levels of Military Strength and Training.

TITLE II - HOMELAND SECURITY, MARINE SAFETY, AND ENVIRONMENTAL PROTECTION

201. Law Enforcement Powers.
202. Stopping Vessels; Immunity for Firing At or Into Vessel.
203. Maritime Security Authority.
204. Revision of Temporary Suspension Criteria in Suspension and Revocation Cases.
205. Revision of Bases for Suspension and Revocation Cases.
206. Removal of Vessel Operating Requirements Exemption for Fishing and Recreational Vessels.

- 207. Marking of Underwater Wrecks.
- 208. Prohibition of Certain Electronic Devices and Ports and Waterways Partnerships/Cooperative Ventures.
- 209. Reports from Charterers.
- 210. Amendments to Vessel Response Plan Requirements.
- 211. Removal of Mandatory Revocation for Proved Drug Convictions in Suspension and Revocation Cases.
- 212. Records of Merchant Mariners' Documents.
- 213. Exemption of Unmanned Barges from Certain Citizenship Requirements.
- 214. Marine Industry and Other Exchange Programs.
- 215. Increase in Civil Penalties for Violations of Certain Bridge Statutes.
- 216. Civil Penalties for Failure to Comply with Recreational Vessel and Associated Equipment Safety Standards.
- 217. Oil Spill Liability Trust Fund: Emergency Fund.
- 218. Oil Pollution Act (OPA) Amendments to Provide Greater Equity in Oil Spill Liability and Efficiency in Federal Cost Recovery.
- 219. Clarification of Payments Made from the Oil Spill Liability Trust Fund (OSLTF).
- 220. Removal of Abandoned Barges.
- 221. Use of Unexpended Funds for Bridge Alterations under Truman-Hobbs Act.
- 222. Inland Navigation Rules Promulgation Authority.
- 223. Prevention of Departure.
- 224. Definition of Vessel Engaged on a Foreign Voyage.
- 225. Commercial Fishing Vessel Mandatory Examination Requirements.
- 226. Inspections and Examinations.
- 227. Requirements for Tank Level and Pressure Monitoring Devices.

**TITLE III – COAST GUARD PERSONNEL, FINANCIAL, AND
PROPERTY MANAGEMENT**

- 301. Enlisted Member Critical Skill Training Bonus.
- 302. Limits to the Number and Distribution of Officers.
- 303. Maximum Age For Retention in an Active Status.
- 304. Term of Enlistments.
- 305. Requirement for Constructive Credit.
- 306. Expansion of Coast Guard Housing Authorities.
- 307. Property Owned by Auxiliary Units and Dedicated Solely for Auxiliary Use.
- 308. Coast Guard Auxiliary Units as Instrumentalities of the U.S. for Taxation Purposes.
- 309. Clarification of Coast Guard Exchange System Exemption.
- 310. Nonappropriated Fund Instrumentalities.
- 311. Administrative, Collection, and Enforcement Costs for Certain Fees and Charges.
- 312. Coast Guard Yard and Other Specialized Industrial Facilities.
- 313. Exception for Inflatable Boats.
- 314. Grant Authority.
- 315. Military Child Development Centers.
- 316. Travel Card Management.

TITLE I – AUTHORIZATION

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

AUTHORIZATION FOR FISCAL YEAR 2004. – Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 2004 as follows:

(a) For the operation and maintenance of the Coast Guard and of the Coast Guard Reserve, and recreation and welfare, \$4,838,000,000, of which \$25,000,000 shall be derived from the Oil Spill Liability Trust Fund and of which \$17,000,000 shall remain available until expended for environmental compliance and restoration functions under chapter 19 of title 14, United States Code.

(b) For the acquisition, construction, renovation, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, \$797,000,000, of which \$23,500,000 shall be derived from the Oil Spill Liability Trust Fund, and such funds appropriated for personnel compensation and benefits and related costs of acquisition, construction, and improvements shall be available for procurement of services necessary to carry out the Integrated Deepwater Systems program; and \$22,000,000 shall remain available until expended for research, development, test, and evaluation.

(c) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, \$1,020,000,000, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

(a) END-OF-YEAR STRENGTH FOR FISCAL YEAR 2004. — The Coast Guard is authorized an end-of-year strength of active duty personnel of 45,500 as of September 30, 2004.

(b) TRAINING STUDENT LOADS FOR FISCAL YEAR 2004. — For fiscal year 2004, the Coast Guard is authorized average military training student loads as follows:

- (1) For recruit and special training, 2,500 student years.
- (2) For flight training, 125 student years.
- (3) For professional training in military and civilian institutions, 350 student years.
- (4) For officer acquisition, 1,200 student years.

TITLE II - HOMELAND SECURITY, MARINE SAFETY, AND ENVIRONMENTAL PROTECTION

SEC. 201. LAW ENFORCEMENT POWERS.

(a) Title 14, United States Code, is amended by adding, after section 95, a new section to read as follows:

"§ 95a. Law enforcement powers

""(a) Subject to guidelines approved by the Secretary and the Attorney General, members of the Coast Guard may, in the performance of official duties,--

"(1) carry firearms;

"(2) make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the

laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony; and

"(3) seize property as provided by law.

"(b) The provisions of this section are in addition to any powers conferred by law upon such officers, and not in limitation of any powers conferred by law upon such officers, or any other officers of the United States."

(b) The table of sections at the beginning of chapter 5 of title 14, United States Code, is amended by inserting after the item relating to section 95 the following:

"95a. Law enforcement powers."

SEC. 202. STOPPING VESSELS; IMMUNITY FOR FIRING AT OR INTO VESSEL.

Section 637 of title 14, United States Code, is amended –

(a) by revising subsection (a) to read as follows:

“(a) Whenever any vessel liable to seizure or examination does not stop on being ordered to do so or on being pursued by an authorized vessel or authorized aircraft has displayed the ensign, pennant, or other identifying insignia prescribed for an authorized vessel or authorized aircraft, the person in command or in charge of the authorized vessel or authorized aircraft may, after a gun has been fired by the authorized vessel or authorized aircraft as a warning signal, fire at or into the vessel which does not stop; except that the prior use of the warning signal is not required if its use would unreasonably endanger persons or property in the vicinity of the vessel.”;

(b) by revising subsection (c)(2) to read “it is a surface naval vessel or military aircraft on which one or more members of the Coast Guard are assigned pursuant to section 379 of title 10.”;

(c) by striking subsection (c)(3); and

(d) by striking subsection (d).

SEC. 203. MARITIME SECURITY AUTHORITY.

Section 4 of The Espionage Act of 1917 (Public Law 65-24, 40 Stat. 220, 50 U.S.C. 194) is amended by inserting “(a)” before the existing undesignated text and adding at the end the following:

“(b) A regulation or order issued under the authority of this title may authorize any officer whose duty is to enforce State criminal laws to make an arrest for violation of that regulation or order if the officer has reasonable grounds to believe that the person to be arrested has committed or is committing such violation.”.

SEC. 204. REVISION OF TEMPORARY SUSPENSION CRITERIA IN SUSPENSION AND REVOCATION CASES.

Section 7702 of title 46, United States Code, is amended —

(1) in paragraph (d)(1) by striking “if, when acting under the authority of that license, certificate, or document —” and inserting “if —” in its place;

(2) in paragraph (d)(1)(B)(i), by inserting “, while acting under the authority of that license, certificate, or document,” after “has”;

(3) by striking “or” at the end of paragraph (d)(1)(B)(ii);

(4) by striking the period at the end of paragraph (d)(1)(B)(iii) and inserting in its place “; or”; and

(5) by adding a new paragraph (d)(1)(B)(iv) after paragraph (d)(1)(B)(iii) to read as follows:

“(iv) is a threat to the safety or security of a vessel or a public or commercial structure located within or adjacent to the marine environment.”.

SEC. 205. REVISION OF BASES FOR SUSPENSION & REVOCATION CASES.

Section 7703 of title 46, United States Code, is amended–

(1) in paragraph (1)(B), by striking “incompetence,”;

(2) by striking “or” at the end of paragraph (2);

(3) by striking the period at the end of paragraph (3) and inserting in its place “; or”; and

(4) by inserting new paragraphs (4) and (5) at the end to read as follows:

“(4) has committed an act of incompetence; or

“(5) is a threat to the safety or security of a vessel or a public or commercial structure located within or adjacent to the marine environment.”.

SEC. 206. REMOVAL OF VESSEL OPERATING REQUIREMENTS EXEMPTION FOR FISHING AND RECREATIONAL VESSELS.

Section 101 of the Ports and Waterways Safety Act of 1972 (Public Law 92-340, 33 U. S. C. 1223(a)(3)) is amended by striking “vessel safety: Provided, That the Secretary shall not require fishing vessels under 300 gross tons as measured under section 14502 of title 46, United States Code, or an alternate tonnage measured under

section 14302 of that title as prescribed by the Secretary under section 14104 of that title or recreational vessels 65 feet or less to possess or use the equipment or devices required by this subsection solely under the authority of this Act;" and inserting "vessel safety or security;" .

SEC. 207. MARKING OF UNDERWATER WRECKS.

Section 15 of the Act of March 3, 1899 (30 Stat. 1152; 33 U.S.C. 409) is amended by striking "day and a lighted lantern" and inserting in lieu thereof "day and, unless otherwise authorized by the Commandant of Coast Guard, a light".

SEC. 208. PROHIBITION OF OPERATION OF CERTAIN ELECTRONIC DEVICES AND PORTS AND WATERWAYS PARTNERSHIPS/COOPERATIVE VENTURES.

Section 4(a) of the Ports and Waterways Safety Act (33 U.S.C. 1223(a)), is amended by –

(1) striking "and" at the end of subparagraph (4);

(2) striking the "environment." at the end of subparagraph (5) and inserting in its place "environment;"; and

(3) adding new paragraphs (6), (7), and (8) at the end to read as follows:

"(6) may prohibit the use of electronic or other devices that interfere with communications and navigation equipment;

"(7) may carry out the functions under paragraph (a)(1) of this section, at the Secretary's discretion and on such terms and conditions as the Secretary deems appropriate, either solely, or in cooperation with a public or private agency, authority, association, institution, corporation, organization or persons. Such non-

governmental entities shall not carry out an inherently governmental function. As used in this subparagraph, the term ‘inherently governmental function’ means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of judgment in making a decision for the Government; and

“(8) may, for the purpose of carrying out the Secretary’s functions under paragraph (a)(1) of this section, convey or lease real property under the administrative control of the Coast Guard to public or private agencies, authorities, associations, institutions, corporations, organizations, or persons upon such consideration and upon such terms and conditions as the Secretary considers appropriate, but the term of any such lease shall not exceed 20 years; and --

“(A) amounts collected for any such conveyance or lease shall be credited to a special fund in the U.S. Treasury and ascribed to the U.S. Coast Guard, and shall be available to the U.S. Coast Guard ‘Operating Expenses’ account without further appropriation and without fiscal year limitation, and the amounts appropriated from the general fund for the ‘Operating Expenses’ account shall be reduced by the amounts so collected;

“(B) any such conveyance or lease is not subject to subtitle I of title 40, United States Code, or the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).”.

SEC. 209. REPORTS FROM CHARTERERS.

Section 12120 of title 46, United States Code, is amended by striking “owners and masters” and inserting “owners, masters, and charterers ” in its place.

SEC. 210. AMENDMENTS TO VESSEL RESPONSE PLAN REQUIREMENTS

(a) Section 4201(b) of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C. 1321(a)) is amended by adding a new definition number (26) after paragraph (25) to read as follows:

“(26) non-tank vessel means a self-propelled vessel of 400 gross tons or greater, other than a tank vessel, which carries oil of any kind as fuel for main propulsion and that—

“(A) is a vessel of the United States; or

“(B) operates on the navigable waters of the United States;”.

(b) Section 4202(a)(6) of the Oil Pollution Act of 1990 , Pub. L. 101-380 (33 U.S.C. §1321(j)(5)) is amended—

(1) in the heading for paragraph (5), by inserting “ , non-tank vessel,” after “vessel”;

(2) in paragraph 5(A), by--

(A) inserting “ , non-tank vessel,” after “vessel”; and

(B) striking the phrase “subparagraph (B)” and inserting in its place “subparagraph (C)”;

(3) by redesignating paragraphs (5)(B) through (5)(H) as (5)(C) through (5)(I), respectively;

(c) by inserting a new paragraph (5)(B) after paragraph (5)(A), to read as follows:

“(B) The Secretary of the Department in which the Coast Guard is operating may issue regulations to require an owner or operator of a tank vessel, non-tank vessel, or facility described in subparagraph (C) to prepare and submit to the Secretary a plan for responding, to the maximum extent practicable, to a worst case discharge, and to a substantial threat of such a discharge, of a noxious liquid substance. For purposes of this paragraph, the term ‘noxious liquid substance’ shall have the same meaning as in the MARPOL Protocol defined in section 2(a)(3) of the Act to Prevent Pollution from Ships, Pub. L. 96-478, as that section may from time to time be amended.”;

(d) in redesignated paragraph (5)(C), by--

(1) inserting “, non-tank vessels,” after “vessels” and striking the phrase “subparagraph (A)” and inserting in its place “subparagraphs (A) and (B)”;

(2) inserting a new clause (ii) after clause (i) to read as follows--

“(ii) A non-tank vessel as defined under section 4201 of this Act.”; and

(3) redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively;

(e) by inserting “, non-tank vessel,” after “vessel” in redesignated paragraph (5)(E);

(f) in redesignated paragraph (5)(F) by--

(1) inserting “non-tank vessel,” after “vessel,” each place it appears;

and

(2) striking the phrase “subparagraph (D)” and inserting in its place “subparagraph (E)”;

(g) by revising redesignated paragraph (5)(G) to read as follows:

“(G) Notwithstanding subparagraph (F), the President may authorize a tank vessel, non-tank vessel, offshore facility, or onshore facility that handles, stores, or transports oil to operate without a response plan approved under this paragraph, until not later than 2 years after the date of the submission to the President of a plan for the tank vessel, non-tank vessel, or facility, if the owner or operator certifies that the owner or operator has ensured by contract or other means approved by the President the availability of private personnel and equipment necessary to respond, to the maximum extent practicable, to a worst case discharge or a substantial threat of such a discharge.”;

(h) by inserting “, non-tank vessel,” after “vessel” in redesignated paragraph (5)(H);

(i) by inserting “and non-tank vessel” after “each tank vessel” in redesignated paragraph (5)(I);

(j) in the undesignated text following the heading of paragraph (6), by striking “Not later than 2 years after the date of enactment of this section, the President shall require--” and inserting “The President may require--” in its place;

(k) in paragraph (6)(B), by inserting “, and non-tank vessels carrying oil of any kind as fuel for main propulsion,” after “cargo”; and

(l) by inserting “, non-tank vessel,” after “vessel” in paragraph (7).

SEC. 211. REMOVAL OF MANDATORY REVOCATION FOR PROVED DRUG CONVICTIONS IN SUSPENSION AND REVOCATION CASES.

Section 7704 of title 46, United States Code, is amended by inserting “suspended or” after “shall be” in subsection (b).

SEC. 212. RECORDS OF MERCHANT MARINERS’ DOCUMENTS.

Section 7319 of title 46, United States Code, is amended by striking “The records are not open to general or public inspection.”.

SEC. 213. EXEMPTION OF UNMANNED BARGES FROM CERTAIN CITIZENSHIP REQUIREMENTS.

(a) Section 12110(d) of title 46, United States Code, is amended by inserting “or an unmanned barge” after “recreational endorsement”.

(b) Section 12122(b)(6) of title 46, United States Code, is amended by inserting “or an unmanned barge” after “recreational endorsement”.

SEC. 214. MARINE INDUSTRY AND OTHER EXCHANGE PROGRAMS.

Section 93 of title 14, United States Code, is amended by —

(a) striking “and” from the end of paragraph (w);

(b) striking the final period in paragraph (x) and inserting in its place “; and”;
and

(c) adding at the end the following:

“(y) notwithstanding any other provision of law, establish a marine industry exchange program, and other employee exchange programs, under which the Coast Guard may accept the voluntary services of maritime industry and other employee exchange program participants, subject to the requirements that--

“(1) an individual performing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code; chapter 11 of title 18, United States Code; chapter 171 of title 28, United States Code; and implementing regulations;

“(2) an individual performing voluntary services under this subsection shall neither decide nor personally or substantially participate in Coast Guard decisions that are likely to affect the commercial interest of the individual’s private-sector employer or any likely competitors of the individual’s private-sector employer; and

“(3) nothing in this subsection shall prevent the continuation of pay and other benefits from the individual’s private-sector employer or continued participation in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by the individual’s private-sector employer. As used in this subsection, ‘private-sector employer’ means the corporation or other person

by which the individual was employed immediately before beginning to perform voluntary services in the maritime industry or other exchange program.”.

SEC. 215. INCREASE IN CIVIL PENALTIES FOR VIOLATIONS OF CERTAIN BRIDGE STATUTES.

(a) Section 5(b) of the Bridge Act of 1906 (33 U.S.C. 495) is amended by striking “\$1,000” and inserting “\$25,000”.

(b) Section 5(c) of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", enacted August 18, 1894 (33 U.S.C. 499(c)), is amended by striking “\$1,000” and inserting “\$25,000”.

(c) Section 18(c) of the Act entitled “An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes”, enacted March 3, 1899 (33 U.S.C. 502(c)) is amended by striking “\$1,000” and inserting “\$25,000”.

(d) Section 510(b) of the General Bridge Act of 1946 (33 U.S.C. 533(b)) is amended by striking “\$1,000” and inserting “25,000”.

SEC. 216. CIVIL PENALTIES FOR FAILURE TO COMPLY WITH RECREATIONAL VESSEL AND ASSOCIATED EQUIPMENT SAFETY STANDARDS.

Section 4311 of title 46, United States Code, is amended —

(a) in subsection (b) —

(1) by striking the first sentence and inserting in its place:

“(1) A person violating section 4307(a) of this title is liable to the United States

Government for a civil penalty of not more than \$5,000, except that the maximum civil penalty may be not more than \$250,000 for a related series of violations.”;

(2) in the second sentence, by striking “4307(a)(1)” and inserting “4307(a)” in its place;

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(4) by adding at the end the following:

“(2) Any person, including, a director, officer, or executive employee of a corporation, who knowingly and willfully violates section 4307(a) of this title, shall be fined not more than \$10,000, imprisoned for not more than one year, or both.”; and

(b) in subsection (c), by striking “\$1,000” and inserting “\$5,000”.

SEC. 217. OIL SPILL LIABILITY TRUST FUND; EMERGENCY FUND.

Section 6002(b) of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C. 2752(b)) is amended to read as follows:

“(b) Exceptions

“Subsection (a) of this section, shall not apply to sections 2706(f), 2712(a)(4), or 2736 of this title, and shall not apply to an amount of not to exceed \$50,000,000 in any fiscal year, which the President may make available from the Fund to carry out section 1321(c) of this title, as amended by this Act, to provide for Federal enforcement activities on behalf of the Fund, and to initiate the assessment of natural resource damages required under section 2706 of this title. To the extent that

such an amount is not adequate, the Coast Guard may obtain an advance from the Fund of such sums as may be necessary, up to a maximum of \$100,000,000, and within 30 days shall notify Congress of the amount advanced and the facts and circumstances necessitating the advance. Amounts advanced shall be repaid to the Fund when, and to the extent that, removal costs are recovered by the Coast Guard from responsible parties for the discharge or substantial threat of discharge. Sums to which this subsection applies shall remain available until expended.”.

SEC. 218. OIL POLLUTION ACT (OPA) AMENDMENTS TO PROVIDE GREATER EQUITY IN OIL SPILL LIABILITY AND EFFICIENCY IN FEDERAL COST RECOVERY.

(a) Section 1001 of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C § 2701) is amended by—

(1) redesignating subparagraphs (A), (B), and (C) in paragraph (26) as (26)(A)(i), (ii), and (iii) respectively; and

(2) adding new subparagraphs (B), (C), (D) and (E) at the end of paragraph (26) to read as follows:

“(B) State or Local Governments. The term ‘owner or operator’ does not include a unit of State or local government which acquired ownership or control involuntarily through bankruptcy, tax delinquency, abandonment, or other circumstances in which the government involuntarily acquires title by virtue of its function as sovereign. The exclusion provided under this paragraph shall not apply to any State or local government which has caused or contributed to the discharge or substantial threat of discharge of oil from

the vessel or facility, and such a State or local government shall be subject to the provisions of this chapter in the same manner and to the same extent, both procedurally and substantively, as any nongovernmental entity, including liability under section 2702 of this title. In the case of any facility, title or control of which was conveyed due to bankruptcy, foreclosure, tax delinquency, abandonment or similar means to a unit of State or local government, 'owner or operator' means any person who owned, operated or otherwise controlled activities at such facility immediately beforehand.

“(C) Exclusion of lenders not participants in management

“(i) Indicia of ownership to protect security- The term 'owner or operator' does not include a person that is a lender that, without participating in the management of a vessel or facility, holds indicia of ownership primarily to protect the security interest of the person in the vessel or facility.

“(ii) Foreclosure- The term 'owner or operator' does not include a person that is a lender that did not participate in management of a vessel or facility prior to foreclosure, notwithstanding that the person-

“(I) forecloses on the vessel or facility; and

“(II) after foreclosure, sells, re-leases (in the case of a lease finance transaction), or liquidates the vessel or facility, maintains business activities, winds up operations, undertakes a removal action under 1321(c) of this title or under the direction

of an on-scene coordinator appointed under the National Contingency Plan, with respect to the vessel or facility, or takes any other measure to preserve, protect or prepare the vessel or facility prior to sale or disposition,

“if the person seeks to sell, re-lease (in the case of a lease finance transaction), or otherwise divest the person of the vessel or facility at the earliest practicable, commercially reasonable time, on commercially reasonable terms, taking into account market conditions and legal and regulatory requirements.

“(D) Participation in management. For purposes of subparagraph (C)-

“(i) the term ‘participate in management’-

“(I) means actually participating in the management or operational affairs of a vessel or facility; and

“(II) does not include merely having the capacity to influence, or the unexercised right to control, vessel or facility operations;

“(ii) a person that is a lender and that holds indicia of ownership primarily to protect a security interest in a vessel or facility shall be considered to participate in management only if, while the borrower is still in possession of the vessel or facility encumbered by the security interest, the person-

“(I) exercises decision making control over the environmental compliance related to the vessel or facility, such that the person has undertaken responsibility for the oil handling or disposal practices related to the vessel or facility; or

“(II) exercises control at a level comparable to that of a manager of the vessel or facility, such that the person has assumed or manifested responsibility-

“(aa) for the overall management of the vessel or facility encompassing day-to-day decision making with respect to environmental compliance; or

“(bb) over all or substantially all of the operational functions (as distinguished from financial or administrative functions) of the vessel or facility other than the function of environmental compliance;

“(iii) The term ‘participate in management’ does not include performing an act or failing to act prior to the time at which a security interest is created in a vessel or facility; and

“(iv) the term ‘participate in management’ does not include-

“(I) holding a security interest or abandoning or releasing a security interest;

“(II) including in the terms of an extension of credit, or in a contract or security agreement relating to the extension, a

covenant, warranty, or other term or condition that relates to environmental compliance;

“(III) monitoring or enforcing the terms and conditions of the extension of credit or security interest;

“(IV) monitoring or undertaking one or more inspections of the vessel or facility;

“(V) requiring a removal action or other lawful means of addressing the discharge or substantial threat of discharge of oil in connection with the vessel or facility prior to, during, or on the expiration of the term of the extension of credit;

“(VI) providing financial or other advice or counseling in an effort to mitigate, prevent, or cure default or diminution in the value of the vessel or facility;

“(VII) restructuring, renegotiating, or otherwise agreeing to alter the terms and conditions of the extension of credit or security interest, exercising forbearance;

“(VIII) exercising other remedies that may be available under applicable law for the breach of a term or condition of the extension of credit or security agreement; or

“(IX) conducting a removal action under 1321(c) of this title or under the direction of an on-scene coordinator appointed under the National Contingency Plan,

“if such actions do not rise to the level of participating in management (within the meanings of clauses (i) and (ii)).

“(E) Other terms - As used in this paragraph:

“(i) Extension of credit. - “The term ‘extension of credit’ includes a lease finance transaction -

“(I) in which the lessor does not initially select the leased vessel or facility and does not during the lease term control the daily operations or maintenance of the vessel or facility; or

“(II) that conforms with regulations issued by the appropriate Federal banking agency or the appropriate State bank supervisor (as those terms are defined in section 1813 of title 12, United States Code) or with regulations issued by the National Credit Union Administration Board, as appropriate.

“(ii) Financial or administrative function. - “The term ‘financial or administrative function’ includes a function such as that of a credit manager, accounts payable officer, accounts receivable officer, personnel manager, comptroller, or chief financial officer, or a similar function.

“(iii) Foreclosure; foreclose. - “The terms ‘foreclosure’ and ‘foreclose’ mean, respectively, acquiring, and to acquire, a vessel or facility through -

“(I)(aa) purchase at sale under a judgment or decree,
power of sale, or nonjudicial foreclosure sale;

“(bb) a deed in lieu of foreclosure, or similar conveyance
from a trustee; or

“(cc) repossession,
“if the vessel or facility was security for an extension of credit
previously contracted;

“(II) conveyance pursuant to an extension of credit
previously contracted, including the termination of a lease
agreement; or

“(III) any other formal or informal manner by which the
person acquires, for subsequent disposition, title to or
possession of a vessel or facility in order to protect the security
interest of the person.

“(iv) Lender. - “The term “lender” means -

“(I) an insured depository institution (as defined in
section 1813 of title 12, United States Code);

“(II) an insured credit union (as defined in section 1752 of
title 12, United States Code);

“(III) a bank or association chartered under the Farm
Credit Act of 1971 (12 U.S.C. 2001 et seq.);

“(IV) a leasing or trust company that is an affiliate of an insured depository institution;

“(V) any person (including a successor or assignee of any such person) that makes a bona fide extension of credit to or takes or acquires a security interest from a nonaffiliated person;

“(VI) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Agricultural Mortgage Corporation, or any other entity that in a bona fide manner buys or sells loans or interests in loans;

“(VII) a person that insures or guarantees against a default in the repayment of an extension of credit, or acts as a surety with respect to an extension of credit, to a nonaffiliated person; and

“(VIII) a person that provides title insurance and that acquires a vessel or facility as a result of assignment or conveyance in the course of underwriting claims and claims settlement.

“(v) Operational function – “The term ‘operational function’ includes a function such as that of a facility or plant manager, operations manager, chief operating officer, or chief executive officer.

“(vi) Security interest - “The term ‘security interest’ includes a right under a mortgage, deed of trust, assignment, judgment lien,

pledge, security agreement, factoring agreement, or lease and any other right accruing to a person to secure the repayment of money, the performance of a duty, or any other obligation by a nonaffiliated person.

“(3) by amending paragraph (31) to read as follows:

“(31) ‘removal costs’ means the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize, or mitigate oil pollution from such an incident, and all costs of Federal enforcement activities related thereto;”.

(4) by amending paragraph (32)(C) to read as follows:

“(C) Offshore facilities. -- In the case of an offshore facility (other than a pipeline or a deepwater port license under the Deepwater Port Act of 1974 (33 U.S.C. 1501 et seq.)), the lessee or permittee of the area in which the facility is located or a person who is the holder of a right of use and easement granted under applicable State law or the Outer Continental Shelf Lands Act (43 U.S.C. 1301-1356) for the area in which the facility is located (if the holder is a different person than the lessee or permittee). A State owner of submerged lands is not a holder of a right of use and easement granted under applicable State Law.”.

(5) adding at the end a new definition number (38) to read as follows:

“(38)(A) ‘contractual relationship’, for the purpose of section 2703(a)(3) of this title, includes, but is not limited to, land contracts, deeds, easements, leases, or other instruments transferring title or possession, unless the real property on which the facility concerned is located was acquired by the responsible party after the placement of the oil on, in, or at the facility, and one or more of the circumstances described in clause (i), (ii), or (iii) is also established by the responsible party by a preponderance of the evidence:

“(i) At the time the responsible party acquired the real property on which the facility is located the responsible party did not know and had no reason to know that oil that is the subject of the discharge or substantial threat of discharge was placed on, in, or at the facility.

“(ii) The responsible party is a government entity which acquired the facility by escheat, or through any other involuntary transfer or acquisition, or through the exercise of eminent domain authority by purchase or condemnation.

“(iii) The responsible party acquired the facility by inheritance or bequest.

“In addition to establishing the foregoing, the responsible party must establish that he has satisfied the requirements of section 2703(a)(3)(A) and (B) of this title, provides full cooperation, assistance, and facility access to the persons that are authorized to conduct removal actions

(including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial removal action), is in compliance with any land use restrictions established or relied on in connection with the removal action, and does not impede the effectiveness or integrity of any institutional control employed in connection with the removal action.

“(B) Reason to Know-

“(i) Appropriate Inquiries- To establish that the responsible party had no reason to know, of the matter described in subparagraph (A)(i), the responsible party must demonstrate that-

“(I) on or before the date on which the responsible party acquired the real property on which the facility is located, the responsible party carried out all appropriate inquiries, as provided in clauses (ii) and (iv), into the previous ownership and uses of the real property on which the facility is located in accordance with generally accepted good commercial and customary standards and practices; and

“(II) the responsible party took reasonable steps to -

“(aa) stop any continuing discharge;

“(bb) prevent, minimize or mitigate any substantial threat of discharge; and

“(cc) prevent or limit any human, environmental, or natural resource exposure to any discharged oil.

“(ii) Standards and Practices- Not later than 2 years after enactment of this amendment, the Secretary shall by regulation establish standards and practices for the purpose of satisfying the requirement to carry out all appropriate inquiries under clause (i).

“(iii) Criteria-“In promulgating regulations that establish the standards and practices referred to in clause (ii), the Secretary shall include each of the following:

“(I) The results of an inquiry by an environmental professional.

“(II) Interviews with past and present owners, operators, and occupants of the facility and the real property on which the facility is located for the purpose of gathering information regarding the potential for oil at the facility and on the real property on which the facility is located.

“(III) Reviews of historical sources, such as chain of title documents, aerial photographs, building department records, and land use records, to determine previous uses and

occupancies of the real property on which the facility is located since the property was first developed.

“(IV) Searches for recorded environmental cleanup liens against the facility and the real property on which the facility is located that are filed under Federal, State, or local law.

“(V) Reviews of Federal, State, and local government records, waste disposal records, underground storage tank records, and waste handling, generation, treatment, disposal, and spill records, concerning oil at the facility and on the real property on which the facility is located.

“(VI) Visual inspections of the facility, the real property on which the facility is located and of adjoining properties.

“(VII) Specialized knowledge or experience on the part of the responsible party.

“(VIII) The relationship of the purchase price to the value of the facility and the real property on which the facility is located, if oil was not at the facility or on the real property.

“(IX) Commonly known or reasonably ascertainable information about the facility and the real property on which the facility is located.

“(X) The degree of obviousness of the presence or likely presence of oil at the facility and on the real property on which the facility is located, and the ability to detect the oil by appropriate investigation.

“(iv) Interim standards and practices-

“(I) Real Property purchased before May 31, 1997- With respect to real property purchased before May 31, 1997, in making a determination with respect to a responsible party described in clause (i), a court or appropriate official shall take into account –

“(aa) any specialized knowledge or experience on the part of the responsible party;

“(bb) the relationship of the purchase price to the value of the facility and the real property on which the facility is located, if oil was not at the facility or on the real property;

(cc) commonly known or reasonably ascertainable information about the facility and the real property on which the facility is located;

“(dd) the obviousness of the presence or likely presence of oil at the facility and on the real property on which the facility is located; and

“(ee) the ability of the responsible party to detect the oil by appropriate inspection.

“(II) Real Property purchased on or after May 31, 1997-

With respect to real property purchased on or after May 31, 1997, and until the Secretary promulgates the regulations described in clause (ii), the procedures of the American Society for Testing and Materials, including the document known as ‘Standard E1527-97’, entitled ‘Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessment Process’, shall satisfy the requirements in clause (i).

“(v) Site Inspection and Title Search- In the case of real property for residential use or other similar use purchased by a nongovernmental or noncommercial entity, inspection and title search of the facility and the real property on which the facility is located that reveal no basis for further investigation shall be considered to satisfy the requirements for this subparagraph.

“(C) Nothing in this paragraph or in section 2703(a)(3) of this title shall diminish the liability of any previous owner or operator of such facility who would otherwise be liable under this chapter. Notwithstanding this paragraph, if a responsible party obtained actual knowledge of the discharge or substantial threat of discharge of oil at such facility when the responsible party owned the facility and then subsequently transferred ownership of the facility or the real property on which the facility is located to another person without disclosing such knowledge, the responsible party shall be treated as liable under 2702(a) of this title and no defense under section 2703(a) of this title shall be available to such responsible party.

“(D) Nothing in this paragraph shall affect the liability under this chapter of a responsible party who, by any act or omission, caused or contributed to the discharge or substantial threat of discharge of oil which is the subject of the action relating to the facility.”.

(b) Section 1002(b) of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C. 2702) is amended by inserting, at the end of paragraph (A), “including all costs of Federal enforcement activities related thereto; and”.

(c) Section 1015 of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C 2715) is amended by adding a new subsection (d) to read as follows:

“(d) Authority to settle. The head of any department or agency responsible to recover amounts for which a person is liable under this chapter may consider, compromise and settle a claim for costs paid or incurred by the United States

Government, including the Fund, if the claim has not been referred to the Department of Justice. In the case of any vessel or facility where the total amount to be recovered under this chapter exceeds \$500,000 (excluding interest), any claim referred to in the preceding sentence may be compromised and settled only with the prior written approval of the Attorney General.”.

SEC. 219. CLARIFICATION OF PAYMENTS MADE FROM THE OIL SPILL LIABILITY TRUST FUND (OSLTF).

(1) Section 1012(a)(4) of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C § 2712(a)(4)) is amended to read as follows:

“(4) the payment of claims in accordance with section 2713 of this title, including the payment of all Federal costs incurred by reason of such claims, for uncompensated removal costs determined by the President to be consistent with the National Contingency Plan or uncompensated damages;”.

(2) This section is effective August 18, 1990.

SEC. 220. REMOVAL OF ABANDONED BARGES.

(a) Section 4704(a) of title 46, United States Code, is amended to read as follows:

“(a)(1) The Secretary may remove an abandoned barge –

“(A) that is discharging or presents a substantial threat of a discharge of oil or a hazardous substance under section 311(c)(1) of the Federal Water Pollution Control Act; and

“(B) for which the Federal On-Scene Coordinator has made a determination that removal of the barge is necessary to eliminate the discharge or substantial threat of a discharge of oil or a hazardous substance.

“(2) Unless the Secretary determines that immediate removal is necessary, the Secretary must comply with the following procedures before removing the abandoned barge under subsection (a):

“(A) If the identity of the owner or operator can be readily determined, the Secretary shall notify the owner or operator by certified mail–

“(i) that if the barge is not removed, it will be removed at the owner’s or operator’s expense; and

“(ii) of the penalty under section 4703.

“(B) If the identity of the owner or operator cannot be readily determined, the Secretary shall publish an announcement that if the barge is not removed, it will be removed at the owner’s or operator’s expense in–

“(i) a notice to mariners; and

“(ii) an official journal of the county in which the barge is located.

“(3) The United States and any officer or employee of the United States is not liable to an owner or operator for damages resulting from removal of an abandoned barge under this chapter.”.

(b) Section 4704(c)(1) of title 46, United States Code, is amended to read as follows:

“(1) The Secretary may, after providing notice under subsection (a)(2), solicit by public advertisement sealed bids for the removal of an abandoned barge.

(c) Section 4704(c)(3) of title 46, United States Code, is amended to read as follows:

“(3) Unless the Secretary determines that immediate removal is necessary, removal of an abandoned barge may begin thirty days after the Secretary completes the procedures under subsection (a)(2).”.

SEC. 221. USE OF UNEXPENDED FUNDS FOR BRIDGE ALTERATIONS UNDER TRUMAN-HOBBS ACT.

Section 8 of the Act of June 21, 1940 (33 U.S.C. 518) is amended—

(1) by inserting “(a)” before the text of the section; and

(2) by adding at the end the following:

“(b) In addition to other uses permitted by law, upon completion of a bridge alteration project, unexpended funds previously appropriated or otherwise available for the completed project may be used to pay the Federal share of the design and construction costs for other bridge alteration projects authorized under this Act.”.

SEC. 222. INLAND NAVIGATION RULES PROMULGATION AUTHORITY.

(a) Section 2 of the Inland Navigation Rules Act of 1980 (33 U.S.C. §§ 2001-38) is repealed.

(b) Section 3 of the Inland Navigation Rules Act of 1980 (33 U.S.C. § 2001) is revised to read as follows:

“Sec. 3. Inland Navigation Rules.

“The Secretary may issue inland navigation regulations applicable to all vessels upon the inland waters of the United States and technical annexes that are as consistent as possible with the respective annexes to the International Regulations.”.

(c) This section is effective 24 months after the date of enactment of this Act.

SEC. 223. PREVENTION OF DEPARTURE.

Section 3505 of Title 46, United States Code, is amended to read as follows:

“§ 3505. Prevention of departure

“Notwithstanding section 3303(a) of this title, a foreign vessel carrying a citizen of the United States as a passenger or embarking passengers from a United States port may not depart from a United States port if the Secretary finds that the vessel does not comply with the standards stated in the International Convention for the Safety of Life at Sea to which the United States Government is currently a party.”.

SEC. 224. DEFINITION OF VESSEL ENGAGED ON A FOREIGN VOYAGE.

Section 3201 of title 46, United States Code, is amended by:

(1) striking “or” at the end of subparagraph (3)(B);

(2) striking the period at the end of subparagraph (3)(C) and inserting in its place “; or”; and

(3) adding at the end the following:

“(D) that is a foreign vessel, on a voyage, any part of which is on the high seas, departing from a place under the jurisdiction of the United States and--

“(i) returning to that same place; or

“(ii) arriving at another place under the jurisdiction of the United States.”.

SEC. 225. COMMERCIAL FISHING VESSEL MANDATORY EXAMINATION REQUIREMENTS.

Section 4502 of title 46, United States Code, is amended by adding at the end the following:

“(g) In addition to the requirements described in subsection (f) of this section, and to ensure compliance with the requirements of this chapter, the Secretary may prescribe regulations requiring periodic examination of other vessels to which this chapter applies.”.

SEC. 226. INSPECTIONS AND EXAMINATIONS.

(a) Section 3307 of title 46, United States Code, is amended--

(1) in paragraph (1) by striking “at least once a year” and inserting “in accordance with regulations promulgated by the Secretary” in its place; and

(2) in paragraph (2) by striking “at least once every five years” and inserting “in accordance with regulations promulgated by the Secretary” in its place.

(b) Section 3308 of title 46, United States Code is amended--

(1) by striking “required by” and inserting “performed under” in its place, and striking “shall” and inserting “may” in its place; and

(2) in paragraph (2) by striking “at least once a month or when the vessel enters a United States port”;

(c) Section 3313(b)(1) of title 46 is amended by striking “ordered in writing to correct the noted deficiencies promptly” and inserting “promptly correct any deficiencies” in its place.

(d) Section 3710 of title 46 is amended in the last sentence of subsection (b) by striking “shall” and inserting “may”.

(e) Section 3711 of title 46 is amended--

(1) in subsection (b), by striking “not more than 24 months” and inserting “a period of time to be determined by the Secretary” in its place; and

(2) in subsection (c), by striking “shall” and inserting “may” in its place.

(f) Section 3712 of title 46 is revised to read as follows:

“§ 3712. Notification of deficiencies

“The Secretary shall notify the owner, charterer, managing operator, agent master, or individual in charge of a vessel of deficiencies found during any inspection or examination under this chapter.”.

(g) Section 3714 of title 46 is amended by revising subsection (a)(1) to read as follows:

“(a)(1) The Secretary may have each vessel to which this chapter applies inspected or examined in accordance with regulations prescribed by the Secretary.”.

(h) The analysis at the beginning of Chapter 37 of Title 46, United States Code is amended by revising the item related to section 3712 as follows:

“§ 3712. Notification of deficiencies.”.

SEC. 227. REQUIREMENTS FOR TANK LEVEL AND PRESSURE MONITORING DEVICES.

Section 4110 of the Oil Pollution Act of 1990, Pub. L. 101-380 (33 U.S.C. 2701 note) is amended-

- (1) in subsection (a), by striking “shall” and inserting “may” in its place; and
- (2) in subsection (b), by striking “shall” and inserting “may” in its place.

**TITLE III – COAST GUARD PERSONNEL, FINANCIAL,
AND PROPERTY MANAGEMENT**

SEC. 301. ENLISTED MEMBER CRITICAL SKILL TRAINING BONUS.

(a) Chapter 13 of title 14, United States Code, is amended by inserting after section 373 the following new section:

“§ 374. Critical skill training bonus

“(a) The Secretary may provide a bonus, not to exceed \$20,000, to enlisted members who complete training in a skill designated as critical, provided at least four years of obligated active service remain on the member’s enlistment at the time the training is completed. A bonus under this section may be paid in a single lump sum or in periodic installments.

“(b) If an enlisted member voluntarily or because of misconduct does not complete his or her term of obligated active service, the Secretary may require the

member to repay the United States, on a pro rata basis, all sums paid under this section. The Secretary shall charge interest on the reimbursed amount at a rate, to be determined quarterly, equal to 150 percent of the average of the yields on the 91-day Treasury bills auctioned during the preceding calendar quarter. ”.

(b) The analysis at the beginning of chapter 13 of title 14, United States Code, is amended by adding the following new item after the item relating to section 373:

“374. Critical skill training bonus.”.

SEC. 302. AMEND LIMITS TO THE NUMBER AND DISTRIBUTION OF OFFICERS.

Section 42 of title 14, United States Code, is amended --

(a) in subsection (a), by —

(1) striking “(a) The” and inserting in its place “(a) Except in time of war or national emergency declared by or pursuant to law, the”;

(2) striking “6,200” and inserting “7,100” in its place; and

(3) adding at the end the following new sentence: “In time of war or national emergency, the Secretary shall establish the total number of commissioned officers, excluding commissioned warrant officers, on active duty in the Coast Guard.”; and

(b) in the first sentence of subsection (b), by striking “commander 12.0; lieutenant commander 18.0.” and inserting in its place “commander 15.0; lieutenant commander 22.0.”.

SEC. 303. MAXIMUM AGE FOR RETENTION IN AN ACTIVE STATUS.

Section 742 of title 14, United States Code, is amended –

(a) in subsection (a), by striking “sixty-two” and inserting “sixty”; and

(b) in subsection (c), by striking “sixty-two” and inserting “sixty”.

SEC. 304. TERM OF ENLISTMENTS.

Section 351(a) of title 14, United States Code, is amended by striking “terms of full years not exceeding six years.” and inserting “a period of at least two years but not more than six years.”.

SEC. 305. REQUIREMENT FOR CONSTRUCTIVE CREDIT.

Section 727 of title 14, United States Code, is amended in the second sentence by striking “three years” after “a law specialist in the Reserve” and inserting “one year” in its place.

SEC. 306. EXPANSION OF COAST GUARD HOUSING AUTHORITIES.

(a) Section 680 of title 14, United States Code, is amended by adding at the end the following:

“(5) The term eligible entity means any private person, corporation, firm, partnership, company, State or local government, or housing authority of a State or local government.”.

(b) Section 684 of Title 14, United States Code, is amended by –

(1) striking “nongovernmental” and inserting “eligible” in the section heading;

(2) striking “nongovernmental” and inserting “eligible” in subsection (a);

(3) striking “a nongovernmental” and inserting “an eligible” in subsection (b)(1);

(4) striking “a nongovernmental” and inserting “an eligible” in subsection (b)(2); and

(5) striking “nongovernmental” and inserting “eligible” in subsection (c).

(c) Title 14, United States Code, is amended by adding after section 687 the following new section:

“Sec. 687a. Differential lease payments

“Pursuant to an agreement entered into by the Secretary and a lessor of military family housing or military unaccompanied housing to members of the armed forces, the Secretary may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as military family housing or as military unaccompanied housing.”.

(d) The chapter analysis for chapter 17 of title 14, United States Code, is amended by --

(1) striking the item related to section 682 and inserting the following:

“682. Direct loans and loan guarantees.”;

(2) striking “**nongovernmental**” and inserting “**eligible**” in the item related to section 684; and

(3) inserting after the item related to section 687 the following new item:

“687a. Differential lease payments.”.

SEC. 307 COAST GUARD AUXILIARY UNITS AS INSTRUMENTALITIES OF THE UNITED STATES FOR TAXATION PURPOSES.

Section 821(a) of title 14, United States Code, is amended, in the second sentence, by adding at the end:

“, and the Auxiliary and each organizational element and unit shall be deemed to be an instrumentality and political subdivision of the United States for taxation purposes and for those exemptions as provided under section 107 of title 4, United States Code.”.

SEC. 308. PROPERTY OWNED BY AUXILIARY UNITS AND DEDICATED SOLELY FOR AUXILIARY USE.

Section 821 of title 14, United States Code, is amended by adding at the end the following:

“(d) Subject to the approval of the Commandant – (1) The Coast Guard Auxiliary and each organizational element and unit (whether or not incorporated) shall have the power to acquire, own, hold, lease, encumber, mortgage, transfer, and dispose of personal property for the purposes set forth in section 822. Personal property owned by the Auxiliary or an Auxiliary unit, or any element thereof, whether or not incorporated, shall at all times be deemed to be property of the United States for the purposes of the statutes enumerated in subsection (b)(1)-(6)

while such property is being used by or made exclusively available to the Auxiliary as provided in section 822.

“(2) Personal property owned by the Auxiliary or an Auxiliary unit or any element or unit thereof, shall not be considered property of the United States for any other purpose or under any other provision of law except as provided in sections 821 through 832 and section 641 of this title. The necessary expenses of operation, maintenance and repair or replacement of such property may be reimbursed using appropriated funds.

“(3) For purposes of this subsection, personal property includes motor boats, yachts, aircraft, radio stations, motorized vehicles, trailers, or other equipment.”.

SEC. 309. CLARIFICATION OF COAST GUARD EXCHANGE SYSTEM EXEMPTION.

Section 487 of title 14, United States Code, is amended by adding at the end the following new sentence:

“For purposes of the Randolph-Sheppard Act (20 U.S.C. 107d-3), Coast Guard exchange and ships’ stores systems shall be treated as though authorized by title 10.”.

SEC. 310 NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) Title 14, United States Code, is amended by inserting after section 151 the following new section:

“§ 152. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide or obtain goods and services

“The Coast Guard Exchange System, or a morale, welfare, and recreation system of the Coast Guard, may enter into a contract or other agreement with any element or instrumentality of the Coast Guard or with another Federal department, agency, or instrumentality thereof to provide or obtain goods and services beneficial to the efficient management and operation of the exchange system or that morale, welfare, and recreation system.”.

(b) The analysis at the beginning of Chapter 7 of title 14, United States Code, is amended by adding the following new item after the item relating to section 151:

“152. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide or obtain goods and services.”.

SEC. 311. ADMINISTRATIVE, COLLECTION, AND ENFORCEMENT COSTS FOR CERTAIN FEES AND CHARGES.

(a) Section 664(b) of title 14, United States Code, is amended to read as follows:

"(b)(1) Fees and charges collected by the Secretary under this section shall be deposited in the general fund of the Treasury as offsetting receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities. In addition to the collection of fees and charges established under this section, the Secretary may recover appropriate collection and enforcement costs associated with delinquent payments of the fees and charges.

“(2) The Secretary may employ any Federal, State, or local agency or instrumentality, or any private enterprise or business, to collect a fee or charge

established under this section. A private enterprise or business selected by the Secretary to collect fees or charges –

“(A) shall be subject to reasonable terms and conditions agreed to by the Secretary and the enterprise or business;

“(B) shall provide appropriate accounting to the Secretary; and

“(C) may not institute litigation as part of that collection.

“(3) A Federal agency shall account for the agency's costs of collecting the fee or charge as a reimbursable expense, and the costs shall be credited to the account from which expended. Costs of collecting the fee or charge include the reasonable administrative, accounting, personnel, contract, equipment, supply, training, and travel expenses of calculating, assessing, collecting, enforcing, reviewing, adjusting, and reporting on the fees and charges.”.

(b) Section 2110(d) of title 46, United States Code, is amended by inserting at the end of paragraph (2) the following: "Costs of collecting the fee or charge include the reasonable administrative, accounting, personnel, contract, equipment, supply, training, and travel expenses of calculating, assessing, collecting, enforcing, reviewing, adjusting, and reporting on the fees and charges.”.

SEC. 312. COAST GUARD YARD AND OTHER SPECIALIZED FACILITIES.

Section 648 of title 14, United States Code, is amended by-

(a) revising the section heading to read as follows:

“§ 648. Specialized industrial facilities”;

(b) inserting “(a)” before the existing undesignated text; and

(c) adding at the end the following:

“(b) For providing support to the Department of Defense, the Coast Guard Yard and other Coast Guard specialized industrial facilities designated by the Commandant shall qualify as components of the Department of Defense for competition and workload assignment purposes. In addition, for purposes of entering into joint public-private partnerships and other cooperative arrangements for the performance of work, the Coast Guard Yard and other Coast Guard specialized industrial facilities may enter into agreements or other arrangements with public and private entities, foreign and domestic, and may, pursuant to contracts and other arrangements, receive and retain funds from and pay funds to such public and private entities, and may accept contributions of funds, materials, services, and the use of facilities from such entities. Amounts received under this subsection may be credited to the Coast Guard Yard Revolving Fund or other appropriate Coast Guard account.”.

(d) The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by revising the item related to section 648 to read as follows:

“648. Specialized industrial facilities.”.

SEC. 313. EXCEPTION FOR INFLATABLE BOATS.

Section 665 of title 14, United States Code, is amended by adding at the end the following:

“(c) This section does not apply to inflatable boats or rigid hull inflatable boats.”.

SEC. 314. GRANT AUTHORITY.

Section 656 of title 14 is amended by adding at the end the following:

“(d) The Secretary may establish a program to award grants or cash prizes to private individuals or educational institutions in an amount not to exceed a total of \$20,000 in any fiscal year from funds appropriated to the Coast Guard for research, development, test, and evaluation, to promote or to recognize outstanding achievements in science, mathematics, engineering, or technology education in support of the missions of the Coast Guard. The Secretary shall establish a competitive process for the selection of recipients of any cash prizes. This program may be carried out in conjunction with or in addition to the exercise of any other authority to acquire, support, or stimulate basic and applied research, advanced technology development, or prototype development projects.”.

SEC. 315. USE OF MILITARY CHILD DEVELOPMENT CENTERS AND OTHER PROGRAMS.

The Secretary of Defense and the Secretary of the department in which the Coast Guard is operating, when operating other than as a service in the Navy, may agree to provide child care services to members of the armed forces with or without reimbursement in military child development centers and other programs supported in whole or in part with appropriated funds. For purposes of military child development centers and other programs operated under the authority of

subchapter II of chapter 88 of title 10, United States Code, the child of a Coast Guard member shall be considered the same as the child of a member of any of the other armed forces.

SEC. 316. TRAVEL CARD MANAGEMENT.

Section 2784a(e) of title 10, United States Code, is amended to read as follows:

“(e) Coast Guard. The Secretary of the department in which the Coast Guard is operating may require that travel or transportation allowances due a civilian employee or military member of the Coast Guard be disbursed directly to the issuer of a Federal contractor-issued travel charge card, but only in an amount not to exceed the authorized travel expenses charged by that Coast Guard member to that travel charge card issued to that employee or member. The Secretary of the department in which the Coast Guard is operating may also establish requirements similar to those established by the Secretary of Defense pursuant to this section for deduction or withholding of pay or retired pay from a Coast Guard employee, member, or retired member who is delinquent in payment under the terms of the contract under which the card was issued and does not dispute the amount of the delinquency.”.